

The subject of this thesis is the electronic registration of sales and its effects on reducing the grey economy in the Czech republic.

The electronic registration of sales is a system designed to ensure that entrepreneurs selling goods or services in return for cash report every instance of such transaction directly to the tax authority so opportunities for tax evasion are significantly reduced. FIK, a code unique to every transaction that serves as a proof that the report has been done is subsequently sent back and receipt for transaction with FIK included is issued to the customer who can check, using special internet application, whether transaction has been in deed reported.

The work is divided into five chapters. The first one describes accounting and similar systems that record information needed to administration of taxes. The next chapter describes occasions when issuing invoices not related to electronic evidence of sales is required. The third chapter analyses the Registration of Sales Act which introduces the electronic evidence of sales into Czech law. This chapter is further divided into seventeen subchapters focused on the most important provisions of the act, for example those setting out exactly what transactions are required to be reported, what are the details of the receipt and the rules of issuing it, how both tax authorities and the public can check whether the duty to report the transaction has been fulfilled, and conditions of punishing breaches of duties imposed by The Act. The fourth chapter examines methods enabling evasion of the duty to report the transaction. The fifth chapter analyses consequences that arise out of exposure of extensive breaches to meet the duty to report the transactions for assesment of taxes.

The analysis done in the work results in identification of several factors that influence the capability of electronic evidence of sales to curtail the extent of grey economy. As a reaction, corrective measures have been recommended.